

SWIFT Corporate Access

Enabling Cash and Treasury over SWIFT Net

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Agenda

- I. The bank's view of Corporate Access**
- II. What should you expect from your bank?**
- III. Experience to date**
- IV. Beyond connectivity**

The bank's view of Corporate Access

The bank's view of Corporate Access

SWIFT is...

- **An Organization: Cooperative membership**
 - Catalyst for industry wide collaboration
- **A Format: MT/FIN**
 - Globally Accepted Financial message format
- **A Network: A value added communications channel**
 - Removes the need for M2M and bank proprietary interfaces
 - Allows Multi-bank messaging where necessary
 - Simplifies access to global markets
- **Use of SWIFTNet can benefit banks as well as corporates**
 - Maintaining multiple proprietary channels is expensive
 - Strengthens partnership between corporate and bank
 - Frees up resources to spend more time and attention on value add v. technology
 - Opportunity to find creative uses for new channel

What should you expect from your bank?

Services via SWIFT

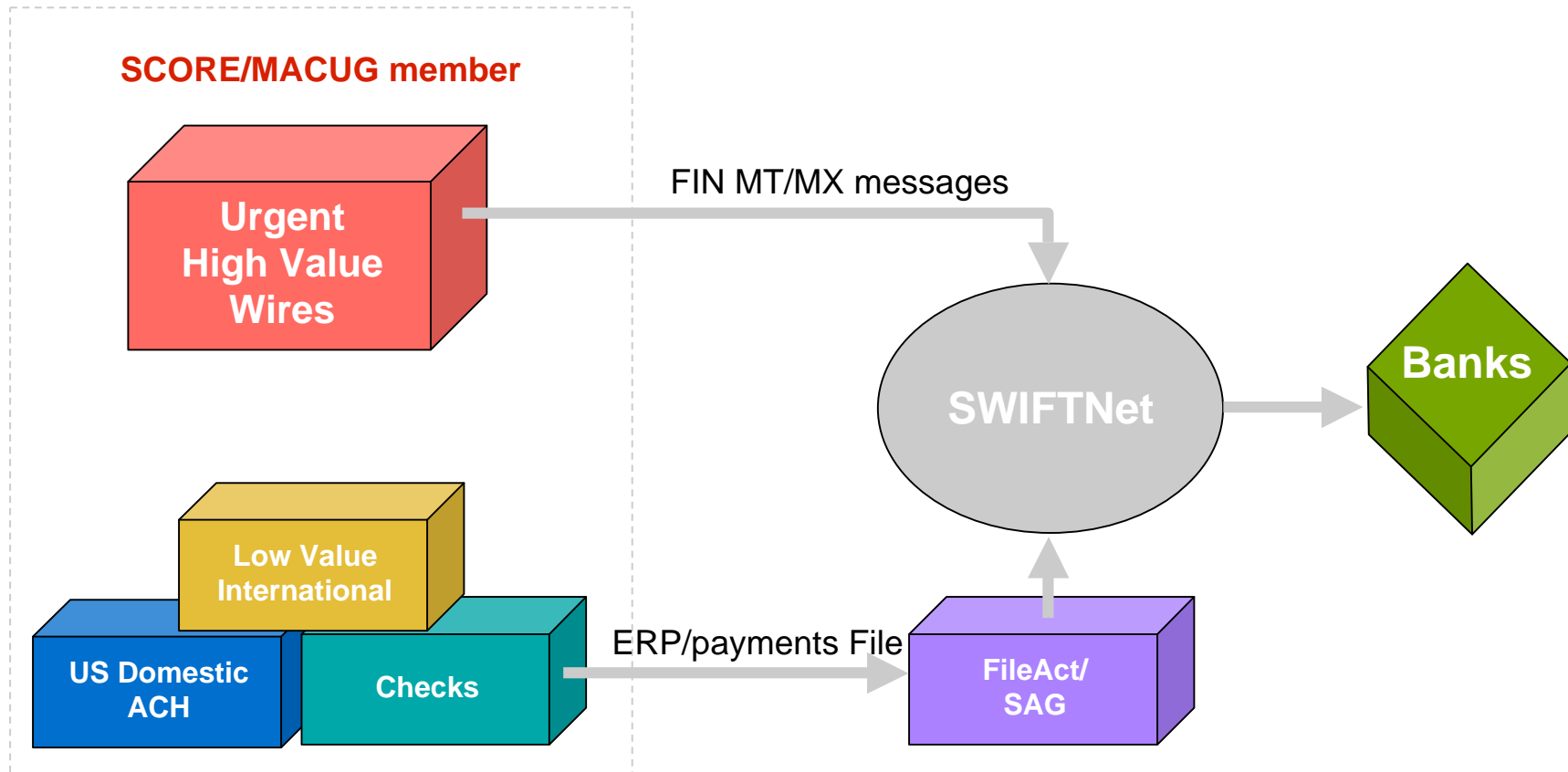
FIN

- Hi-Value Urgent Payments
- Advices, Information and Status Reporting
- *Formats: MT100 and MT 900 series*

FileAct

- Low-value bulk payments
- Comprehensive Payment files from account payables systems
- Cross Currency Files for FX payments
- US and cross border ACH
- Check Print files
- Lockbox data
- Account Reconciliation, Positive Pay and Paid Check data
- Current and previous day information files
- Image Files
- *Formats: XML, EDI, EDIFACT, SAP IDoc, NACHA, BAI2, ... etc.*

Services: Payments



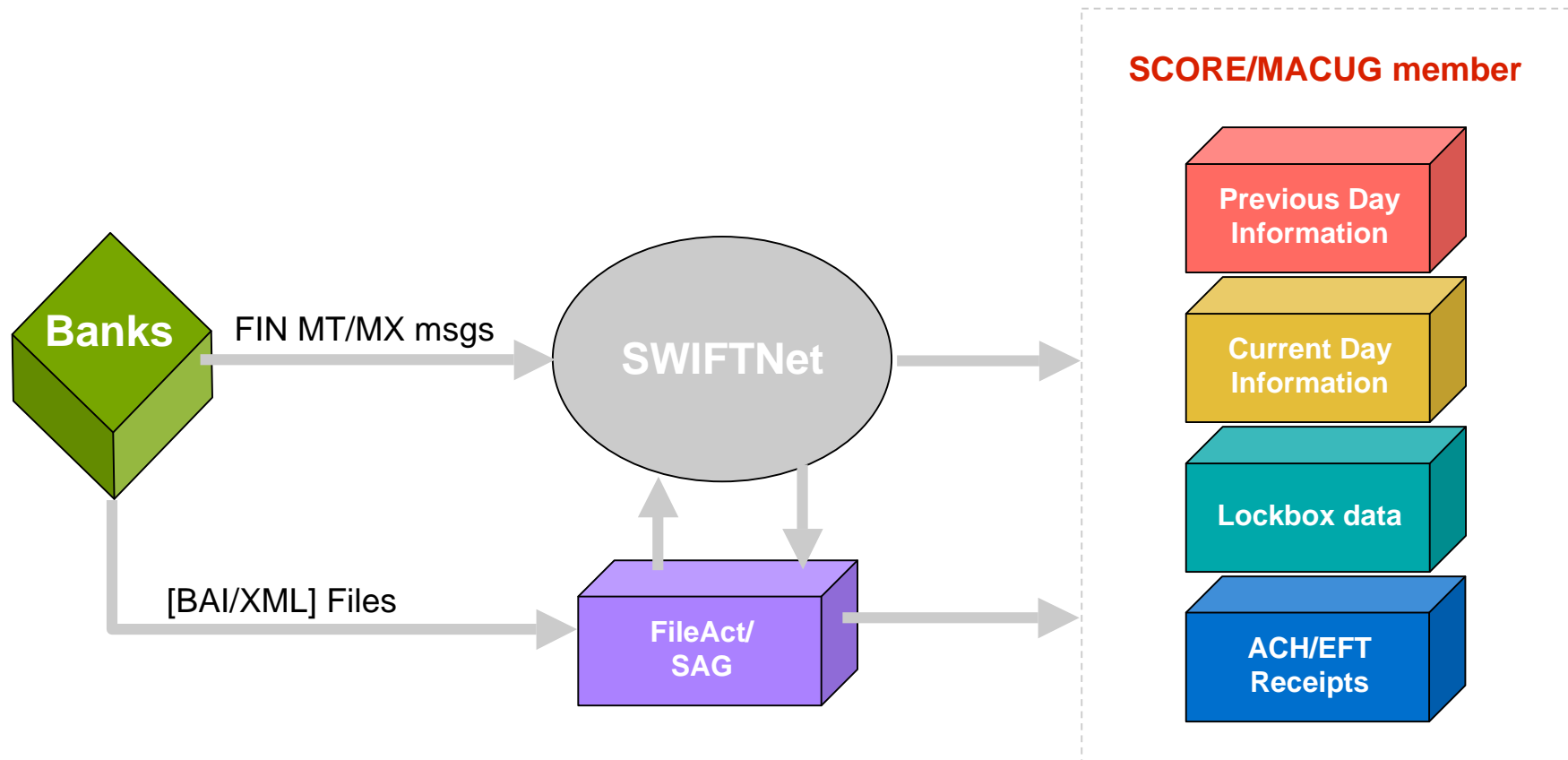
FileAct payment options

- Bulk files rather than single payments
- No need to change existing format
- Multiple payment types in single file

FIN payment options

- MT 101 payments
- MT 195/196/199 for investigations
- Full STP and immediate

Services: Receipts and Information Reporting



FileAct options

- More detail than FIN for PDR/CDR
- No need to change existing format

FIN information reporting options

- MT 900/910 debit/credit confirmations
- MT 940 PDR
- MT 942 CDR

Experience to date

“SWIFT Implementation is not for the faint of heart”

– Ed Barrie, Microsoft

Experience

- Implementations can be complex
- Connectivity alone can provide benefit by allowing for retirement of bank messaging systems
- Integration with ERP/TWS and standard formats provide opportunity for STP and centralization

Lessons Learned

- Real-Time doesn't always mean Real-Time
- Standard Format doesn't always mean the same everywhere

The Industry Experience

“The challenge is understanding the uniqueness of cultures and the ways in which business is done, and the uniqueness of regulatory environments. ”

- William Newman, Bank of America

Experience

- FileAct allows for uniqueness of regulatory environments
- Interest has accelerated to tipping point
- Not just for multi-national companies with large wire volumes
- FileAct growth rate exceeds FIN growth (265% v. 34%)
- Indirect slightly more popular than direct connectivity in 2008

Lessons Learned

- Not all banks offer all services
- Connectivity solves only part of the challenge

“SWIFT has created the pipe and now it’s up to the participants to push whatever they can through it.”

- Mike Fossaceca, Bank of America

Experience

- Corporates look to banks as partners for advice on how and what to implement
- Corporates want banks to make it easier to implement
- Corporates want banks to agree to fixed standards
- Legal Agreements: less is more

Lessons learned

- Rolled out global implementation project team to support the sometimes long complex implementations
- No additional legal agreements for SCORE and minimal for MACUG

Beyond connectivity

Beyond connectivity

Integration

- More can be done to work with technology companies and service providers to ensure smooth STP integration between banks and corporates

Standardization

- ISO20022 paving the way for global financial standardization

Conclusion

“It’s exciting to create value for our corporate clients and to leverage technology to more tightly integrate the global financial ecosystem.”

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